

PUMA BIOTECHNOLOGY, INC.  
Form DFAN14A  
December 10, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN CONSENT STATEMENT**

**SCHEDULE 14A INFORMATION**

**Consent Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Consent Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Consent Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

**PUMA BIOTECHNOLOGY, INC.**

**(Name of Registrant as Specified in Its Charter)**

**FREDRIC N. ESHELMAN, PHARM.D.**

**JAMES M. DALY**

**SETH A. RUDNICK, M.D.**

**KENNETH B. LEE, JR.**

**(Name of Persons(s) Filing Consent Statement, if Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Destroying

Selected slides from Puma Biotechnology Inc. s presentation, dated December 4, 2015.

This presentation represents Dr. Fredric N. Eshelman s commentary on Puma s arguments.

1  
Debunking Puma's Claim To Be Developing  
Stockholder Value  
Management  
and  
Board  
unable

to  
unlock  
stockholder  
value:  
Puma  
has  
a  
valuable  
asset  
that  
could  
generate  
significant value for stockholders if managed correctly.  
To date, Puma's current Board and management team have  
failed to do so.  
Lack  
of  
strategic  
plan:  
Puma's  
current  
Board  
does  
not  
appear  
to  
have  
an  
overall  
business  
plan  
to  
successfully  
bring  
Puma's product to market.  
Stockholder hopes are pinned to an eventual acquisition.  
The  
nominees  
DO  
have  
a  
plan:  
We  
have  
outlined  
a  
full  
set  
of  
business

initiatives  
in  
the  
areas  
of  
commercialization,  
marketing,  
sales  
and  
manufacturing

topics  
that  
the  
Company  
has  
never  
addressed  
publicly

as  
well  
as  
finance,  
business development and corporate governance.

Puma's  
current  
Board  
has  
been  
tested  
and  
failed:

The  
current  
Board  
is  
not  
up  
to  
the  
task

of  
generating  
acceptable

value for stockholders from Puma's asset. The four highly qualified and experienced nominees Dr. Eshelman proposes for election will bring critical skills to the Board and equip it to oversee a successful strategy for realizing the value of neratinib.

Puma's  
inability

to  
manage  
market  
expectations  
creates  
risk:  
Mismanagement  
of  
market  
expectations,  
as

evidenced by Puma's long history of overpromising and delays in presenting trial results, has greatly contributed to recent stock price volatility and could create significant additional downside risks for investors. More effective Board oversight of management is the only way to correct this.

Inadequate  
transparency  
and  
skin

in  
the  
game :  
Puma

has  
exhibited  
an  
alarming  
lack  
of  
transparency  
with

investors, including Dr. Eshelman, something the Nominees will seek to immediately address if elected. In addition, the four independent directors' interests are inadequately aligned with those of stockholders. Rather than show how it intends to Develop Shareholder Value, the Company's presentation demonstrates the need for a change.

On  
8/10/15  
anticipated  
publishing  
in  
Q3  
15.

On  
5/11/15 and 3/2/15 anticipated publishing mid-  
2015.

Stated on 11/13/14 would file in 1H  
15.

There are

only 3.5  
weeks left in  
4Q  
15  
yet  
no definite  
dates, places  
or journals  
(other than  
SABCS) have  
been  
disclosed or  
publicly  
scheduled.

In light of  
Puma's  
history of  
delays, it  
seems highly  
unlikely that  
these things  
will happen  
on the  
schedule  
described  
here.

Still haven't  
disclosed  
which data  
(two days  
before).  
On 8/10/15  
anticipated  
completing in 3Q  
15.

On 5/11/15 and  
3/2/15  
anticipated  
completing in 1H  
15.

On 11/10/14  
anticipated  
presenting data  
in 4Q  
14.

Stated on 11/10/15 that it was expected in 2H  
15.

All  
of  
these  
offerings  
took  
place  
before  
the

current  
board  
failed  
to  
manage  
investor  
expectations  
surrounding  
the ExteNET  
data, leading to the stock's plummeting after the May 2015 ASCO Annual Meeting.

The Company fails to take responsibility  
for the role its failure to manage market  
expectations played in the stock's  
heightened volatility.

We agree that  
there is  
significant  
potential value  
but improved  
oversight and  
additional  
experience on  
the board is  
needed for that  
value to be  
realized. The  
Company has not  
explained how  
they intend to  
achieve this long-  
term significant  
value.

The Company does not identify a peer group for  
executive compensation benchmarking in its proxy  
statement. Therefore, Dr. Eshelman chose Clovis,  
Oncology, Inc., Seattle Genetics, Inc., Medivation, Inc.,  
ARIAD

Pharmaceuticals, Inc., and bluebird bio, Inc.  
because, of the comparable companies provided by  
Capital IQ, these were the closest to Puma in  
development stage and market cap.

The Company  
has consistently  
claimed that it is  
developing three  
drug candidates  
in numerous SEC  
filings, including  
its most recent  
10-K. Puma has

never explained  
what happened  
to the  
development of  
these  
candidates.

However, on slide 11 the Company manages to identify 10 peers in order to show that 2 other life sciences companies also have 5 directors. The Company provides no discernible basis or source for its list of peers.

Our concern is if

Puma  
management is  
left unchecked  
there is potential  
for significant  
downside from  
continued  
overstatements -  
as we saw  
recently with  
Clovis Oncology,  
Inc.

Puma's 4 independent directors own very little stock:

Combined 3.22% beneficial ownership

Combined 0.003% of shares held directly.

Each independent director on average owns less than

0.007%, excluding options and shares which directors do not have any pecuniary interest.

NOT

No independent director has purchased shares within the last two years.

The overwhelming majority of shares beneficially owned by the independent directors are options granted as part of compensation, or were acquired in the Company's early stages when the stock price was cheap, and do not reflect actual financial commitment.

This is a false and misleading accusation. Dr. Eshelman expressly offered that potentially material information be redacted and stated that he

was not seeking  
material  
nonpublic  
information.

Rather, he  
sought  
to analyze  
and value his  
ownership stake  
and ascertain  
whether the  
Board members  
acted  
appropriately in  
in connection  
with the  
consideration of  
any business  
combinations,  
asset sales,  
mergers or other  
strategic  
transactions.

The  
Company  
gave no  
such  
assurances

.  
We made no such assumption and  
clearly identified the shareholder  
plaintiff claims as allegations.

Dr. Eshelman

fully understands the relevant metrics and has used Kaplan-Meier for years. The Company continues to  
avoid the issue of how its optimistic statements about the ExteNET  
data led investors and analysts to consistently  
expect that there would be a 3-5% increase in absolute DFS, which was not the reality and caused stockholder value  
to plummet. The Company also fails to address the other cases in which its optimistic statements were followed by  
high expectations for data releases and other milestones that were not realized.

The Company  
only responded  
as required by  
Delaware law  
when Dr.  
Eshelman filed  
for expedited  
proceedings.

Puma s  
The motion does  
not demonstrate

the truth of the statements. The court has not ruled on the motion, and demonstration of truthfulness is not the legal standard.

Each only serves on one other public board. Dr. Eshelman would leave certain current private boards if appointed as a director of Puma.

Dr. Eshelman has extensive experience in early stage cancer companies.

Dr. Rudnick developed two different biological

compounds  
used in  
cancer  
treatment  
and led their  
approval  
process.  
Our nominees  
would add  
significantly to the  
board:

Over a century  
of combined  
industry  
experience

Key roles in  
over \$10 billion  
in M&A  
sales.

Central roles in  
developing or  
launching  
numerous  
pharmaceutical  
products.

Exponentially  
higher levels of  
board and  
governance  
experience.

Far broader  
investment and  
finance  
experience.

Dr. Eshelman was not replaced as CEO. Rather, he initiated and was fully involved in planning and executing the company's succession plan. The Company

neglects that most of these analyst statements came during a two-year period when the overall market was significantly down due to the financial crisis. Dr.

Eshelman's tenure at PPDI was approximately 20 years.

By the standards the current board uses to judge its own past, PPDI compares very favorably. PPDI sold at an increase of 421% over its initial listing price, while Cougar's value only increased by 140%, and was even more volatile in the interim than PPDI, twice experiencing declines that brought it back to its initial listing price.

Regarding  
the  
carcinogenicity  
studies,  
Auerbach  
claimed  
in  
December  
2014  
that

he  
anticipated  
that  
these  
studies  
would  
be  
complete by November 2015:

These  
carcinogenicity  
studies  
with  
neratinib  
are  
anticipated  
to  
be  
completed  
in  
November  
2015 .

On November 30, 2015, he disclosed that only preliminary data was ready for the meeting with the EMA:

What  
we  
showed  
them

we  
don't  
have  
the  
final  
reports  
yet.

What  
we  
showed  
them  
was  
the  
top  
line  
data,  
so  
kind  
of  
the

draft, if you will. We do not have the full report yet.

Now the Company claims that it intends to complete these studies at some unspecified point (we would note that the fact these studies were incomplete was also the cause for the original delay of the NDA filing from 2015 to 2016).

We are not reassured.

If the current board really has an overall strategic business plan, beyond hoping for an eventual acquisition, it has never described it. The current board should outline its own strategic plan for investors and provide evidence that the necessary groundwork is being laid.

The Nominees have discussed and outlined a full set of business initiatives in the areas of commercialization, marketing and sales, and manufacturing (topics that the Company has never publicly discussed beyond vague and canned statements), as well as finance, business development, and corporate governance.

The Company has a track record of delays, lack of transparency and mismanaging of expectations for all 3 of these items.

See our investor presentation.

Certain Disclosures

9

DR. FREDRIC N. ESHELMAN ( DR. ESHELMAN ) DOES NOT ASSUME RESPONSIBILITY FOR INVESTMENT DECISIONS MADE IN CONNECTION WITH THE PURCHASE OR SALE OF ANY SECURITY. UNDER NO CIRCUMSTANCES IS THIS PRESENTATION TO BE USED TO OFFER TO BUY ANY SECURITY. IT IS POSSIBLE THAT THERE WILL BE DEVELOPMENTS IN THE FUTURE THAT CAUSE DR. ESHELMAN AND HIS AFFILIATES TO SELL ALL OR A PORTION OF THEIR SHARES IN OPEN MARKET TRANSACTIONS OR OTHERWISE (INCLUDING PRIVATELY NEGOTIATED TRANSACTIONS OR OTHERWISE) OR TRADE IN OPTIONS, PUTS, CALLS OR OTHER

DR. ESHELMAN RESERVES THE RIGHT TO CHANGE ANY OF HIS OPINIONS EXPRESSED HEREIN AT ANY TIME AND HAS NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN. CERTAIN DATA AND INFORMATION USED HEREIN HAVE BEEN OBTAINED FROM SOURCES THAT DR. ESHELMAN BELIEVES TO BE RELIABLE, IS SUBJECT TO CHANGE AND SUCH INFORMATION MAY NOT CONTAIN ALL MATERIAL INFORMATION CONCERNING THE SECURITIES WHICH MAY BE THE SUBJECT OF SUCH INFORMATION OBTAINED WITHOUT THE CONSENT FROM ANY THIRD PARTY TO USE ANY STATEMENTS OR INFORMATION INDICATED IN THIS DOCUMENT FROM STATEMENTS MADE OR PUBLISHED BY THIRD PARTIES. ANY SUCH STATEMENTS OR INFORMATION ARE NOT THE PROPERTY OF A THIRD PARTY FOR THE VIEWS EXPRESSED HEREIN.

DR. ESHELMAN MAY HAVE RELIED UPON CERTAIN QUANTITATIVE AND QUALITATIVE ASSUMPTIONS WHICH ARE HEREIN ARTICULATED AS PART OF SUCH ANALYSES. THE REALIZATION OF THE ASSUMPTIONS ON WHICH SUCH ANALYSES ARE BASED, VARIABILITIES AND CONTINGENCIES AND MAY CHANGE MATERIALLY IN RESPONSE TO SMALL CHANGES IN MARKET CONDITIONS, THE INTERACTION OF SUCH ELEMENTS. FURTHERMORE, THE ASSUMPTIONS ON WHICH THE ANALYSES WERE BASED AT THE DATE OF THE ANALYSES, DO NOT NECESSARILY REFLECT HISTORICAL EXPERIENCE WITH RESPECT TO SUCH ANALYSES, AND DO NOT CONSTITUTE A PRECISE PREDICTION AS TO FUTURE EVENTS.

BECAUSE OF THE UNCERTAINTIES AND SUBJECTIVE JUDGMENTS INHERENT IN SELECTING THE ASSUMPTIONS USED IN THESE ANALYSES, EVENTS AND CIRCUMSTANCES CANNOT BE PREDICTED, THE ACTUAL RESULTS REALIZED MAY DIFFER MATERIALLY FROM THOSE INDICATED. NOTHING INCLUDED IN THESE ANALYSES CONSTITUTES ANY REPRESENTATION OR WARRANTY BY DR. ESHELMAN. NO WARRANTY IS MADE BY DR. ESHELMAN AS TO THE REASONABLENESS, ACCURACY OR SUFFICIENCY OF THE INFORMATION OR ANY OTHER FINANCIAL INFORMATION THAT IS CONTAINED IN THE ANALYSES, INCLUDING THE ASSUMPTIONS USED THEREIN. DR. ESHELMAN SHALL NOT BE LIABLE FOR EITHER (1) ANY ERRORS OR OMISSIONS MADE IN DISSEMINATING THIS INFORMATION (INCIDENTAL, CONSEQUENTIAL OR OTHERWISE) WHICH MAY ARISE FROM YOUR OR ANY OTHER PARTY'S USE OF THE INFORMATION THAT IS CONTAINED HEREIN SHOULD NOT BE CONSTRUED AS FINANCIAL, LEGAL, INVESTMENT OR TAX ADVICE. UPON YOUR OWN EXAMINATION AND THAT OF YOUR PROFESSIONAL ADVISORS, INCLUDING LEGAL COUNSEL, ACCOUNTANTS, REGULATORY, OR ACCOUNTING TREATMENT, SUITABILITY, AND OTHER ASPECTS OF THE ANALYSES HEREIN. ON NOVEMBER 18, 2015, DR. ESHELMAN, JAMES M. DALY, SETH A. RUDNICK AND KENNETH B. LEE, JR. (TOGETHER WITH THE DEFINITIVE CONSENT STATEMENT AND ACCOMPANYING FORM OF CONSENT CARD WITH THE SECURITIES OFFERING CIRCULAR) TO BE USED IN CONNECTION WITH THE SOLICITATION OF CONSENTS (THE "CONSENT SOLICITATION") FROM THE STOCKHOLDERS OF "COMPANY") TO INCREASE THE SIZE OF THE COMPANY'S BOARD OF DIRECTORS FROM FIVE TO NINE MEMBERS. THE COMPANY ARE ADVISED TO READ THE DEFINITIVE CONSENT STATEMENT AND OTHER DOCUMENTS HEREIN CAREFULLY BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATED TO THE COMPANY'S INDIRECT INTERESTS BY SECURITY HOLDINGS. THE DEFINITIVE CONSENT STATEMENT AND ACCOMPANYING FORM OF CONSENT CARD ARE, ALONG WITH OTHER RELEVANT DOCUMENTS, AVAILABLE AT [WWW.OKAPIVOTE.COM/PUMABIOTECHNOLOGY](http://WWW.OKAPIVOTE.COM/PUMABIOTECHNOLOGY) OR ON THE SEC'S WEBSITE AT [HTTP://WWW.SEC.GOV/](http://WWW.SEC.GOV/). IN ADDITION, THE COMPANY'S SOLICITOR, WILL PROVIDE COPIES OF THE DEFINITIVE CONSENT STATEMENT AND ACCOMPANYING CONSENT CARD TO YOU BY CALLING 869-0171 OR BY EMAILING [INFO@OKAPIPARTNERS.COM](mailto:INFO@OKAPIPARTNERS.COM).